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RELEASED



Review Of Selected Aspects  
Of A Training And  
Technical Assistance Contract  
With Frontiers Unlimited, Inc.  
Atlanta, Georgia

B-130515

Office of Economic Opportunity

BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES

090549

JULY 12, 1971

TACCNO - 900655



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-130515

Dear Mr. Thompson:

This is our report on our review of selected aspects of the Office of Economic Opportunity (OEO) training and technical assistance contract with Frontiers Unlimited, Inc., of Atlanta, Georgia. 987

As indicated in the report, Frontiers has not submitted its final report to OEO. OEO, however, has agreed to furnish us with a copy of the report when it is submitted, and we will forward it to you.

Frontiers, OEO, and other parties mentioned in this report have not been given an opportunity to formally examine and comment on its contents. As agreed with your office, we are sending a copy of this report to the Director, OEO, for his information and use.

We plan to make no further distribution of this report unless copies are specifically requested, and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of the report.

Sincerely yours,

A handwritten signature in cursive script, reading "James B. Stacks", is written over the typed name.

Comptroller General  
of the United States

The Honorable Fletcher Thompson  
House of Representatives

COMPTROLLER GENERAL'S REPORT TO  
THE HONORABLE FLETCHER THOMPSON  
HOUSE OF REPRESENTATIVES

REVIEW OF SELECTED ASPECTS OF A  
TRAINING AND TECHNICAL ASSISTANCE  
CONTRACT WITH FRONTIERS UNLIMITED,  
INC., ATLANTA, GEORGIA  
Office of Economic Opportunity  
B-130515

D I G E S T

WHY THE REVIEW WAS MADE

The Office of Economic Opportunity (OEO) awarded a contract to Frontiers Unlimited, Inc., of Atlanta, Georgia, to provide training and technical assistance in community organization to Community Action Agencies in the OEO Atlanta Region. 957

Under the 1-year contract, dated June 30, 1969, Frontiers was to provide 1,000 man-days of assistance at an estimated cost of about \$158,000. The contract was later amended to provide 900 man-days of assistance at a cost of about \$230,700 over a longer period. Actual billings by Frontiers under the contract amounted to \$187,860.

During the contract period a total of 751 man-days of assistance was provided by 43 specialists at 41 Community Action Agencies. At the request of Congressman Fletcher Thompson, the General Accounting Office (GAO) reviewed certain activities of Frontiers in an effort to ascertain whether:

- the work performed had been necessary, had served a constructive purpose, and had been beneficial to the agencies served;
- OEO had exercised control over Frontiers' scheduling of work;
- Frontiers' performance had been in accordance with the terms of the contract; and
- the specialists provided under the contract had the qualifications necessary to carry out their assignments.

GAO reviewed also a selected number of payments under the contract, especially those made on a cost-reimbursable basis, and ascertained, at the request of Congressman Thompson, whether any funds had been used to establish or operate a catfish-breeding venture in Hancock County, Georgia.

GAO's review was made, in part, at 10 of the 41 Community Action Agencies which had received technical assistance under the contract. Frontiers, OEO, and other parties mentioned in this report have not been

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given an opportunity to formally examine and comment on the contents of this report.

## FINDINGS AND CONCLUSIONS

### Need for services and benefits to agencies served

With some exceptions the recipients considered the technical assistance provided by Frontiers to have been satisfactory and the results to have been beneficial.

Officials at six of the 10 Community Action Agencies visited by GAO stated that, as a result of Frontiers' work, their staffs were better qualified to perform community action work.

Two of the 10 agencies considered the specialists' services to have been unsatisfactory or could not identify any immediate benefits. (See pp. 7 and 8.)

Prior to the Frontiers' contract, the OEO Atlanta Region did not perform a formal study of the need for training and technical assistance in community organization. Nationwide studies made by OEO in 1968 indicated to OEO, however, that a need for such services existed. (See p. 9.)

### OEO control of Frontiers' work schedule

Frontiers' specialists were to be sent to Community Action Agencies only upon receipt of written authorizations from OEO. This procedure generally was followed, and most of the specialist man-days charged by Frontiers had been authorized, in writing, by OEO. In some cases Frontiers obtained verbal authority from OEO when it needed to use more man-days than had been authorized to accomplish its tasks. (See pp. 9 and 10.)

### Compliance with contract provisions

The work performed by Frontiers and the procedures followed by its specialists in providing assistance and in reporting results generally were in accordance with the terms and objectives of the contract. GAO did note some deviations from contract requirements, the most significant being that:

- Although the contract had called for 900 man-days of assistance, only 751 man-days actually had been provided. Frontiers informed GAO that it had been unable to provide the required number of man-days because there had been a slowdown of work during an investigation of its operations and because OEO had not given timely approval to requests for technical assistance from Community Action Agencies.
- As of April 23, 1971, Frontiers had not submitted the required final report. OEO was withholding final payment until receipt of the report. (See p. 11.)

### Contractor's specialists

The specialists employed by Frontiers to advise the Community Action Agencies generally appeared to possess the educational background, training, and/or work experience necessary to carry out their assignments.

Fees paid to the specialists ranged from \$30 to \$100 a day and usually were based on the annual salaries paid the specialists by their previous employers.

The vice president-chairman of the board of Frontiers, while a full-time employee of the Department of Health, Education, and Welfare (HEW), provided at one agency--without administrative approval from HEW--41 days of assistance costing \$5,931. This was in violation of an HEW requirement that outside professional and consultative services receive administrative approval. (See pp. 14 and 15.)

### Cost-reimbursable payments

On January 15, 1971, the Defense Contract Audit Agency issued a report on the OEO contract with Frontiers. The Audit Agency questioned \$48,085 in costs and recommended that Frontiers refund \$45,037 to the Government. As of April 23, 1971, OEO had not made a final resolution of the Audit Agency's findings.

GAO limited its examination of the costs to a test of the costs claimed on two vouchers. This test indicated that the Audit Agency's audit was sufficiently comprehensive to disclose all questionable items. (See p. 18.)

### Catfish-breeding venture

GAO's examination of Frontiers' expenses under the OEO contract, as well as an interview with Frontiers' deputy project director, did not reveal that contract funds had been expended for this venture. (See p. 18.)

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## ABBREVIATIONS

DCAA	Defense Contract Audit Agency
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
OEO	Office of Economic Opportunity

*COMPTROLLER GENERAL'S REPORT TO  
THE HONORABLE FLETCHER THOMPSON  
HOUSE OF REPRESENTATIVES*

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Frontiers' specialists were to be sent to Community Action Agencies only upon receipt of written authorizations from OEO. This procedure generally was followed, and most of the specialist man-days charged by Frontiers had been authorized, in writing, by OEO. In some cases Frontiers obtained verbal authority from OEO when it needed to use more man-days than had been authorized to accomplish its tasks. (See pp. 9 and 10.)

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The work performed by Frontiers and the procedures followed by its specialists in providing assistance and in reporting results generally were in accordance with the terms and objectives of the contract. GAO did note some deviations from contract requirements, the most significant being that:

- Although the contract had called for 900 man-days of assistance, only 751 man-days actually had been provided. Frontiers informed GAO that it had been unable to provide the required number of man-days because there had been a slowdown of work during an investigation of its operations and because OEO had not given timely approval to requests for technical assistance from Community Action Agencies.
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## CHAPTER 1

### INTRODUCTION

On June 30, 1969, the Office of Economic Opportunity awarded a contract for \$158,000 to Frontiers Unlimited, Inc., to provide 1,000 man-days of technical assistance in community organization to Community Action Agencies in the OEO Atlanta Region.

Our review was made pursuant to the August 21, 1970, request to the Comptroller General from Congressman Fletcher Thompson. In discussions with the Congressman's office, we agreed to (1) evaluate the work performed by Frontiers to ascertain whether it had been necessary, had served a constructive purpose, and had been beneficial to the agencies served, (2) assess the control exercised by OEO over Frontiers' scheduling of work, (3) ascertain whether the work performed by Frontiers had been in accordance with the terms of the contract, (4) ascertain whether the specialists provided under the contract had the qualifications necessary to carry out their assignments, and (5) review a selected number of payments under the contract, concentrating particularly on the cost-reimbursable portion of the contract. We agreed also to examine into whether any funds under the contract had been expended to establish or operate an OEO-financed catfish-breeding venture operated by the Georgia Council on Human Relations in Hancock County.

Our review was made at Frontiers Unlimited, Inc. In addition, we did work at the OEO Atlanta Regional Office and at the Department of Health, Education, and Welfare office in Atlanta. We visited 10 Community Action Agencies in Georgia, Florida, South Carolina, and Tennessee, where services had been provided under the contract.

We reviewed the contractor's records, reports, and files relating to the technical, administrative, and financial aspects of the contract and two reports of audits made by the Defense Contract Audit Agency for OEO which covered payments made under the contract. We also

interviewed selected Community Action Agency officials and several of the community organization specialists used by Frontiers.

Contract B99-5019, dated June 30, 1969, was negotiated by OEO pursuant to 41 U.S.C. 252(c)(10) and section 602(n) of the Economic Opportunity Act, 1964, as amended. The total estimated contract amount of \$158,000 included a firm-fixed price of \$63,550 to cover all administrative and operational costs for furnishing 1,000 man-days of technical assistance and a cost-reimbursable amount of \$94,450 for payment of specialists' fees, travel, and subsistence expenses.

The original contract period was from June 30, 1969, through June 30, 1970, but was later extended through October 31, 1970. Other modifications to the contract increased the total estimated contract amount to \$230,700 and provided \$92,450 for the fixed-price portion and \$138,250 for the cost-reimbursable portion. The amount of technical assistance required by the contract was reduced from 1,000 to 900 man-days. As of April 30, 1971, OEO had not awarded another contract to continue the services previously performed by Frontiers.

## CHAPTER 2

### EVALUATION OF TECHNICAL ASSISTANCE SERVICES

This chapter discusses the results of our work as it relates to the first four areas of the review listed on page 4. The results of our audit of selected payments under the cost-reimbursable portion of the contract are discussed in chapter 3.

### EVALUATION OF SPECIALISTS' SERVICES BY RECIPIENT AGENCIES

The technical assistance services in community organization provided by Frontiers through its specialists generally were considered by the recipient agencies to have been performed satisfactorily and to have been beneficial.

During the 16-month contract period, a total of 751 man-days of technical assistance services were provided by 43 specialists at 41 Community Action Agencies. The types of technical assistance services provided to the Community Action Agencies were as follows:

<u>Types of service</u>	<u>Number of agencies involved</u>
Assessment of needs of Community Action Agency and community	33
Training of agency board members and staff	22
Organizing community groups	11
Assistance to community groups	11
Community leadership development training	5
Sensitivity training	4
Assistance in elections of Community Action Agency board members	2

In accordance with the data-reporting requirements of the contract, Frontiers designed an evaluation form which was to be completed by the Community Action Agencies receiving technical assistance services. This form provided for a rating of the specialist indicating whether he (1) had been well prepared for the assignment, (2) had been well

qualified to render technical assistance, (3) had used his time wisely, (4) had provided assistance in a meaningful, relevant manner, and (5) had provided the technical assistance needed.

The Community Action Agencies were requested to evaluate the performance of the specialist providing the services by assigning a numerical rating of 1 (poor) to 5 (excellent) to each of the five areas. Our tabulation of these ratings is shown in the following table.

<u>Rating</u>	<u>Number of ratings</u>	<u>Percent</u>
5	108	60
4	40	22
3	23	13
2	4	2
1	<u>5</u>	<u>3</u>
Total	<u>180</u>	<u>100</u>

Frontiers itself was dissatisfied with the performance of four specialists and did not use them again. Frontiers terminated the services of a fifth specialist because there were numerous complaints concerning his conduct from community officials and because an investigation of his activities by the OEO Inspections Division had indicated that his continued employment would not be in the best interest of the program.

To obtain fairly broad geographic coverage of Frontiers' activities, we visited 10 Community Action Agencies in Florida, Georgia, South Carolina, and Tennessee where 230 man-days of technical assistance services had been provided by 13 specialists.

Officials at six of the Community Action Agencies visited stated that, as a result of training received from Frontiers' specialists, their staffs were better qualified to perform community organization work; officials at three of the six agencies said that several community groups had been organized as a result of the efforts of Frontiers' specialists. At another Community Action Agency, officials stated that they had not been satisfied with the specialists' services. This was the agency where Frontiers had terminated

the services of the specialist. One of the other three agencies that we visited could not identify any immediate benefits gained from the services, and, at the remaining two agencies, Frontiers had made only an assessment of needs.

## NEED FOR SERVICES

OEO's Atlanta Regional Office did not make a formal assessment of the need in the region for technical assistance in community organization. The former chief of the OEO Training and Technical Assistance Program Branch in Atlanta informed us that nationwide Community Action Agency evaluation studies made in 1968 indicated that there was a need for training and technical assistance in community organization. The Preliminary Training and Technical Assistance Plan for fiscal year 1969 showed that one of the goals of the OEO Atlanta Regional Office was to strengthen various problem aspects of Community Action Agencies and that community organization was anticipated to be a problem. The plan contemplated community organization training for the staffs and boards of certain Community Action Agencies and some direct community organization was planned.

Prior to the Frontiers contract, technical assistance in community organization was provided under a nationwide contract awarded by OEO headquarters. Because this contract was being phased out, the Atlanta Regional Office decided to develop a consultant resource system in the Atlanta Region. The former chief of the Training and Technical Assistance Program Branch decided to separate the technical assistance contracting for community organization from other technical assistance contracting in such areas as economic development, manpower, and management, on the rationale that each contractor could concentrate on the most effective utilization of specialists' services.

The region did not prepare documentation showing that there was a need for the 1,000 man-days of services originally contracted for, nor did it develop a plan showing where the services were to be provided. As shown on page 6, one of the functions generally performed by Frontiers was a determination of an agency's specific needs in the area of community organization.

## OEO CONTROL OVER FRONTIERS' SCHEDULING OF WORK

Frontiers' specialists were to be sent to Community Action Agencies only upon receipt of written authorizations

from OEO. This procedure generally was followed, and most of the specialists' man-days charged by Frontiers under the contract had been specifically authorized by OEO. At certain locations, however, more or fewer man-days than had been authorized actually were expended by Frontiers in providing technical assistance services.

Clause I of the contract, Statement of Work, requires that the contractor provide the services of specialists after receipt of a request from OEO. According to Frontiers' Operating Procedures Manual, the request for technical assistance was to be initiated by the Community Action Agency, sent to OEO for approval, and forwarded by OEO to Frontiers.

Frontiers provided a total of 751 man-days of technical assistance in community organization at 41 Community Action Agencies. Available records showed that OEO formally had authorized only 632 man-days of services.

The discrepancy between man-days authorized and actually provided stemmed from the fact that, at certain locations, Frontiers had provided more man-days than had been authorized in writing by OEO to accomplish its task and, at others, had provided less man-days than had been authorized. The overages at certain locations exceeded the underages at the other locations and accounted for the fact that not all man-days of service provided had been authorized in writing. Frontiers' officials informed us that, at some Community Action Agencies, the man-days authorized in writing had not been sufficient and that verbal approval had been obtained from OEO for the additional man-days required. An OEO official verified that such approval had been given to Frontiers.



## COMPLIANCE WITH CONTRACT PROVISIONS

The work performed by Frontiers and the procedures followed by its specialists in providing assistance to Community Action Agencies and in reporting the results of its efforts generally were in accordance with the terms and objectives of the contract. We did note some deviations from contract requirements, the most significant being that Frontiers--because of certain circumstances--had not provided all the called-for man-days of service and had not submitted the required final report under the contract.

Of the 900 man-days called for by the contract, 751 man-days actually were provided. Frontiers' officials informed us that they had been unable to provide all the man-days of technical assistance required because there had been a slowdown in work while their operation was being subjected to an investigation and because OEO had not given timely approval to requests for technical assistance services from Community Action Agencies.

The contract required that Frontiers submit its final report on October 31, 1970. The report was to summarize the activity under the contract and was to include recommendations and conclusions. As of April 23, 1971, the report had not been submitted. On November 25, 1970, and again on March 1, 1971, the OEO Contracting Officer informed Frontiers that no further payment would be made under the contract until the required final report had been received and that failure to submit the report was seriously jeopardizing the satisfactory completion of the contract. Frontiers' officials said that they intended to submit a final report and that the unpaid vouchers submitted to OEO totaled about \$5,500.

We also noted certain other deviations from the contract terms, which are discussed below. The contract required Frontiers to use specialists who resided in the Atlanta OEO Region. Contrary to the contract, Frontiers, without obtaining written approval from OEO, used four specialists who resided outside the Atlanta Region. For two other specialists, Frontiers did not comply with the contract requirement that documentation be maintained on the education, experience, and employment of each specialist as

justification for the fees paid. Frontiers did not execute Agreements for Personnel Services with six of the 43 specialists, even though its Operating Procedures Manual, prepared in compliance with the contract, required that such agreements be executed. Also agreements with seven other specialists were executed after they had started work.

To comply with the contract requirement that data on specialist utilization be acquired, tabulated, summarized, analyzed, and reported to OEO, Frontiers designed and used Agency Assignment Reports, Specialist Utilization Reports, and Specialist Utilization by State Reports. We noted a few instances in which (1) the reports had not been prepared, (2) cumulative man-days had been overstated or understated, and (3) cost data was missing or incorrect. The reports in question were not used as a basis for preparing payment vouchers but served to keep OEO apprised of contract performance.

In accordance with the data-reporting requirement of the contract, Frontiers designed a specialist evaluation form which was to be completed by the agencies receiving specialist services. Of the 41 Community Action Agencies receiving specialists' services, 18 did not submit evaluation reports covering 322 man-days worked by 21 specialists. In fact, Frontiers did not receive specialist evaluation reports from any of the recipient agencies during the period September 1969 through May 1970. Frontiers' officials stated that evaluations had not been received during this period because either Frontiers had failed to mail out the forms on time or the agencies, contrary to requirements, had not returned the forms. Frontiers, however, submitted monthly Specialist Utilization Reports, which showed a rating for each specialist, to the OEO Atlanta Regional Office. Frontiers' officials informed us that the evaluations had been based on telephone conversations with the agencies served and on reviews of the specialists' daily logs and reports.

## CONTRACTOR'S SPECIALISTS

Information on file showed that the specialists utilized by Frontiers to provide technical assistance in community organization generally had the educational background, training, and/or work experience necessary to carry out their assignments. Under the terms of the contract, Frontiers was to provide specialists qualified to assist and advise in improving community organization patterns. The contract required Frontiers to also utilize specialists who recently had been poor, provided that the task was such that it could be performed by such persons.

A summary of the educational background of the specialists used by Frontiers is shown in the following table.

<u>Education</u>	<u>Number of specialists</u>	<u>Man-days served</u>
No data in file	2	8
Less than high school	2	13
High school diploma	1	4
Bachelor's degree	13	365
Master's degree	10	178
Attended college--degree not shown	<u>15</u>	<u>183</u>
Total	<u>43</u>	<u>751</u>

Most of the degrees held by the specialists were in the areas of psychology, sociology, political science, business, and education.

The educational background and work experience for two of the 43 specialists were not documented in the personnel files maintained by Frontiers. Of the 41 remaining specialists, six did not attend the two conferences conducted by Frontiers to provide specific training to its staff in the area of community organization (these conferences were required by the contract) and did not appear to have work experience related to community organization or OEO programs.

Fees paid to the 43 specialists ranged from \$30 to \$100 a day and generally were computed on the basis of the annual salaries received by the specialists at their previous places of employment, divided by 250 days. A tabulation of fees paid, the number of specialists in each category, and the number of man-days worked is shown below.

<u>Ranges of fees paid a day</u>	<u>Number of specialists</u>	<u>Number of man-days worked</u>
\$30 to \$ 40	5	25
41 to 50	8	64
51 to 60	7	104
61 to 70	5	92
71 to 80	9	239
81 to 90	5	174
91 to 100	<u>4</u>	<u>53</u>
Total	<u>43</u>	<u>751</u>

The vice president of Frontiers, who also is chairman of the board, provided 41 man-days of specialist services at one community organization, for which he received a total of \$5,931 in fees, travel, and per diem. He did not receive a salary from Frontiers for his duties as vice president or chairman. During the period June 1969 to February 13, 1970, he was also a full-time employee--GS-14 Civil Rights Specialist--of the Department of Health, Education, and Welfare. The services provided under the contract by this specialist were performed either on weekends or while he was on annual leave from HEW.

The HEW Manual on Standards of Conduct requires administrative approval for any outside work which creates an apparent conflict of interest or a question of propriety and for all professional and consultative services. The specialist's personnel folder contained no evidence of administrative approval for his work under the Frontiers contract, and officials of HEW said that he never had discussed the outside work with them. He ultimately resigned from his position at HEW. The specialist's work at the community organization included the preparation of a proposal and

budgets for OEO funding. The HEW Manual on Standards of Conduct specifically precludes this type of outside work by HEW's employees.

### CHAPTER 3

#### AUDIT OF SELECTED COST-REIMBURSABLE PAYMENTS

The total estimated contract cost, as amended, was \$230,700, of which \$92,450 represented the total for the fixed-price portion of the contract and \$138,250 represented the total for the cost-reimbursable portion of the contract. Actual billings through the completion of the contract amounted to \$187,860, of which \$90,000 represented the fixed-price portion, including profit, and \$97,860 represented the cost-reimbursable portion. At the completion of our review, about \$5,500 of the amount billed had not been paid by OEO, primarily because of the failure of Frontiers to submit its final report.

The expenses incurred under the fixed-price and cost-reimbursable portions of the contract are categorized as follows:

##### Fixed-Price Portion (note a)

<u>Description</u>	<u>Amount</u>
Officers' salaries	\$23,301
Office salaries	35,523
Rent	2,820
Telephone and telegraph	3,570
Office supplies	2,049
Repairs and maintenance	924
Interest and bank charges	78
Office equipment rental	742
Payroll taxes	2,212
Postage	237
Insurance	436
Legal and accounting fees	3,225
Taxes and licenses	82
Miscellaneous	761
Advertisement	255
Dues and subscriptions	160
Contract negotiations	1,956
Furniture and fixtures, less depreciation	3,209
Depreciation	<u>353</u>
Total expenses billed	81,893
Profit	<u>8,107</u>
Total, fixed-price portion of billings	<u>\$90,000</u>

##### Cost-Reimbursable Portion

Specialists:	
Fees	\$54,042
Travel	21,568
Per diem	14,242
Administrative:	
Travel	1,970
Per diem	619
Subcontract for administrative, fiscal, and training support	5,075
Minor adjustments to accounting records	<u>344</u>
Total, cost-reimbursable portion of billings	<u>\$97,860</u>

<sup>a</sup>Frontiers was not required to itemize these costs in its billings to OEO. We obtained the breakdown from Frontiers' records.

The Defense Contract Audit Agency (DCAA) audited the cost-reimbursable expenses incurred by Frontiers on a test basis for the period July through December 1969 and on a 100-percent basis for the period January through October 1970. On January 15, 1971, DCAA issued an audit report on the OEO contract with Frontiers, in which DCAA questioned costs of \$48,085. After considering unpaid vouchers, DCAA recommended that Frontiers refund \$45,037 to the Government.

The major cost-reimbursable expenses questioned by DCAA were as follows:

- Costs of \$7,571 incurred by the administrative staff were questioned because DCAA believed that such costs should be charged to the fixed-price portion of the contract. Included in this amount were costs of \$5,931 for travel, per diem, and specialists' fees paid to the chairman of the board of Frontiers.
- Costs of \$13,275 were questioned because the Request for Services from OEO was not available for review.
- Travel costs of \$1,216 were questioned because no supporting information was shown on fee and expense vouchers.
- Travel, per diem, and fees of specialists amounting to \$5,425 for two training conferences held for specialists were questioned because DCAA believed that these costs should be charged to the fixed-price portion of the contract.
- Travel advances of \$3,390 were questioned because they were not subsequently liquidated against expense vouchers.
- Subcontract costs of \$5,075 were questioned because DCAA believed that such costs should have been charged to the fixed-price portion of the contract.

An official of the DCAA informed us that the final results of the audit would be subject to further negotiations between OEO and Frontiers' officials. By letter dated

March 17, 1971, Frontiers formally appealed the audit findings and asked OEO to consider the allowability of questioned costs in the context of the total negotiations between Frontiers and OEO. As of April 23, 1971, final resolution of the audit findings had not been made. We have asked OEO to advise us of its final action on this matter.

We limited our examination of the costs to a test of the costs claimed on two vouchers. This test indicated that DCAA's audit was sufficiently comprehensive to disclose all questionable items.

#### CATFISH-BREEDING VENTURE

As part of our review of contract costs, we examined into whether any funds under the Frontiers contract had been expended for the establishment or operation of an OEO-financed catfish-breeding venture, operated by the Georgia Council on Human Relations, in Hancock County. Our examination of expenses incurred by Frontiers under the contract and our interview with Frontiers' deputy project director for the contract did not reveal that contract funds had been expended for this venture.